



**Testimony
Elizabeth Gara
Connecticut Water Works Association (CWWA)
Before the
Energy Committee
March 15, 2012**

RE: OPPOSE - SB 416 AAC the Mergers and Acquisitions of the Holding Companies of Certain Public Utility Companies

CWWA opposes SB-416, which would extend jurisdiction of the state's Public Utility Regulatory Authority (PURA) over issues relative to corporate governance, and holding company transactions and impose onerous conditions for approval of mergers. This is an overreaching measure that will interfere with the day-to-day activities of water utilities and undermine their ability to operate effectively and efficiently to meet their obligation to provide a safe, adequate supply of water to their customers.

Water utilities are often required or encouraged to takeover failing small water systems, which benefits customers as well as the overall public health. Utilities may also merge for other considerations. We are concerned that SB-416 would create unnecessary barriers for utilities interested in merging or required to takeover failing systems. Under current law, PURA must consider whether the new owner is suitable and whether there will be any adverse impact on utility service.

Because SB-416 would make it more difficult for utilities to merge, and could adversely impact the value of their stock and opportunities to access capital necessary at reasonable costs. This would negatively impact shareholders as well as ratepayers as it would make it more expensive and more difficult for a utility to borrow money needed to make improvements to infrastructure or other needs.

We believe the PURA has adequate opportunity under the current statutes to regulate rates and quality of service and that the additional conditions to be imposed when there is a proposed merger are overly burdensome and unnecessary.

CWWA therefore urges lawmakers to oppose SB-416.